



Dated: 6/13/2017

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION**

In re:	)	
	)	
Vanguard Healthcare, LLC, <i>et al.</i> <sup>1</sup>	)	Case No. 16-03296
	)	Chapter 11
Six Cadillac Dr., Suite 310	)	Judge Mashburn
Brentwood, TN 37027	)	
	)	Jointly Administered
Debtors.		
		Hearing: June 13, 2017

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**AGREED ORDER AUTHORIZING (i) SALE OF ASSETS,  
(ii) POST-PETITION GUARANTY, AND (iii) REVISED LEASE**

This matter is before the Court on the motion (the “Motion”) [Docket No. 1387] filed by Vanguard Healthcare, LLC (“Vanguard”) and Shady Lawn, LLC (“Shady Lawn”) (collectively the “Debtors”) for entry of an order approving (i) the sale of certain real property (the “Property”) of a subsidiary of Vanguard to Kame-San, JLLP (“Buyer”), (ii) an unsecured guaranty by Vanguard (the “Guaranty”) of that certain loan from Origin Bank to Buyer in the principal amount of \$3,500,000 (the “Loan”), and (iii) a revised lease between Shady Lawn and Buyer (the “Lease”). An objection was filed by the Official Unsecured Creditors Committee (“Committee”) (Docket No. 1534) and the Statement of Position and Reservation of Rights (Docket No. 1551) (the “HFS ROR”) was filed by Healthcare Financial Solutions (“HFS”). It appearing to the satisfaction of

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Vanguard Healthcare, LLC (9650); Vanguard Healthcare Services, LLC (7563); Vanguard Financial Services, LLC (3403); Aurora Australis, LLC (7099); Boulevard Terrace, LLC (8709); Elderscript Services, LLC (4179); Eldercare of Jackson County, LLC (7855); Glen Oaks, LLC (8238); Palace RBS, LLC (9601); Shady Lawn, LLC (7397); Vanguard of Ashland, LLC (8367); Vanguard of Church Hill, LLC (1049); Vanguard of Crestview, LLC (1046); Vanguard of Manchester, LLC (6203); Vanguard of Memphis, LLC (4623); Vanguard of Ripley, LLC (1050); Vicksburg Convalescent, LLC (7298); and Whitehall OpCo, LLC (6186).

the Court upon the signatures of counsel for the Debtors, HFS and the Committee that the objection of the Committee has been resolved under the terms provided herein, it is ORDERED:

1. The sale of the Property and approval of the Lease and the guaranty of Vanguard are conditional upon (i) Court approval of the Debtors' Amended Joint Plan of Reorganization (the "Joint Plan") that is currently scheduled for hearing commencing on August 1, 2017, and (ii) satisfaction of each of the conditions to HFS's consent to the sale and related transactions stated in Section II of the HFS ROR (which is by this reference incorporated herein), provided absent written consent of the Committee, the sale of the Property must close in connection with the funding of the obligations owed on the Effective Date of the Joint Plan.

2. Upon the closing of the Sale and pursuant to § 363(b) of the Bankruptcy Code, Shady Lawn is authorized to enter into the Lease with Buyer in substantially the form attached to the Motion.

3. Upon the closing of the Sale and pursuant to § 364(b) of the Bankruptcy Code, Vanguard is authorized to guarantee the Loan to be provided to with Buyer in the principle amount of \$3,500,000 on the financial terms set forth in the Letter of Intent attached to the Motion, provided the closing of the loan will occur only in connection with the Effective Date of the Debtors' Joint Plan and the loan will be subject to the restrictions acceptable to HFS as noted in the HFS ROR.

4. Vanguard and Origin Bank have engaged in arm's length, good faith negotiations regarding the terms of the Guaranty, and accordingly, Origin Bank is extending credit to Vanguard in good faith and is entitled to the benefits of §364(e) of the Bankruptcy Code.

5. Notwithstanding the Committee's consent to the transactions proposed in the Motion on the Effective Date of the Joint Plan, nothing in this Order shall prejudice in any way

the Committee's, or any other party's arguments related to the confirmation of the Joint Plan. Without limiting the forgoing, nothing in this Order shall prejudice (i) the Committee's right to assert that there exist better ways for Debtors to raise or generate funds needed to fund a Chapter 11 plan, that the Sale, Lease and Vanguard guaranty are not in the best interest of creditors as it relates to confirmation of the Joint Plan, that the Sale is not at the highest and best price that could be obtained in an open market situation, that HFS should under a plan of reorganization receive less than \$3.5 million of the Sale proceeds because it is over secured, or that the Sale, Lease and Vanguard guaranty would not be necessary in alternative plans of reorganization that might be proposed, or (ii) the rights of the Debtors, HFS or any other party's right to oppose the Committee's allegation.

**This Order was signed and entered electronically as indicated at the top of the first page.**

APPROVED FOR ENTRY:

/s/ William L. Norton III

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#### Certificate of Service

The undersigned hereby certifies that on the 12th day of June, 2017, the foregoing document was automatically served via the Courts electronic filing system to those parties registered to receive electronic filings in this case.

/s/ William L. Norton III